GOVERNMENT OF INDIA
FINANCE
LOK SABHA

STARRED QUESTION NO:361
ANSWERED ON:16.12.2005
INVESTMENT OF INSURANCE COMPANIES
Acharia Shri Basudeb

Will the Minister of FINANCE be pleased to state:

(a) the total amount of investment of insurance companies both in private and public sectors in infrastructure development and social sectors during the last three years: and IT

(b) the benefits and achievements to the Government and the people as a result thereof ?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF FINANCE MINISTER (SHRI P. CHIDAMBARAM)

(a)&(b) : A Statement is laid on the Table of the House. STATEMENT IN RESPECT OF LOK SABHA STARRED QUESTION NO. 361 BY SHRI BASUDEB ACHARIA REGARDING `INVESTMENT OF INSURANCE COMPANIES TO BE ANSWERED ON FRIDAY, THE 16 DECEMBER. 2005

(a) & (b) : The total amount of investment of private and public sector insurance companies in infrastructure development and social sectors for the last 3 years is as under :

	Rs. Crores As on 31st March, 2003	As on 31st March, 2004	As on 31 March, 2005
Public Sector	37151.37	43657.29	51096.5
Private Sector	637.38	947.22	1461.59

(b) : Investment by insurance companies, are largely long term investments, in infrastructure and social sectors. The Insurance Act, 1938 and IRDA Regulations on investment mandate life insurance companies to invest not less than l5% of total investment in infrasti`ucture and social sectors and general insurance companies to invest not less than 10% of total investment in infrastructure and social sectors and not less than 5% in housing and fire fighting equipments. Such investments, basically by LIC have been instrumental in establishing drinking water, sanitation, solid waste management and such other facilities in rural and urban areas.